
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **January 3, 2019**

DUKE ENERGY OHIO, INC.

(Exact Name of Registrant as Specified in its Charter)

Ohio
(State or Other Jurisdiction
of Incorporation)

1-1232
(Commission
File Number)

31-0240030
(IRS Employer
Identification No.)

139 East Fourth Street, Cincinnati, Ohio 45202
(Address of Principal Executive Offices, including Zip code)

(704) 382-3853
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- ☐ Emerging growth company
 - ☐ If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.
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Item 8.01. Other Events.

On January 3, 2019, Duke Energy Ohio, Inc. (the “Company”) entered into an underwriting agreement, dated January 3, 2019 (the “Underwriting Agreement”), with Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Goldman Sachs & Co. LLC and U.S. Bancorp Investments, Inc., as representatives of the several underwriters named therein (the “Underwriters”), pursuant to which the Company agreed to issue and sell to the Underwriters \$400,000,000 aggregate principal amount of the Company’s First Mortgage Bonds, 3.65% Series, Due February 1, 2029 (the “2029 Bonds”) and \$400,000,000 aggregate principal amount of the Company’s First Mortgage Bonds, 4.30% Series, Due February 1, 2049 (collectively, the “Bonds”). The Bonds will be issued under the First Mortgage, dated as of August 1, 1936, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee, as amended and supplemented from time to time (the “Indenture”), including by the Forty-sixth Supplemental Indenture, dated as of January 8, 2019 (the “Supplemental Indenture”). The disclosure in this Item 8.01 is qualified in its entirety by the provisions of the Indenture, the Supplemental Indenture, which is filed as Exhibit 4.1 hereto, and the Underwriting Agreement, which is filed as Exhibit 99.1 hereto. Such exhibits are incorporated herein by reference. Also, in connection with the issuance and sale of the Bonds, the Company is filing a legal opinion regarding the validity of the Bonds as Exhibit 5.1 to this Form 8-K for the purpose of incorporating the opinion into the Company’s Registration Statement, as amended (File No. 333-213765-02).

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*

- 4.1 [Forty-sixth Supplemental Indenture, dated as of January 8, 2019, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee, providing for the issuance of the Bonds.](#)
- 5.1 [Opinion regarding validity of the Bonds.](#)
- 23.1 [Consent \(included as part of Exhibit 5.1\).](#)
- 99.1 [Underwriting Agreement, dated January 3, 2019, among the Company and Citigroup Global Markets Inc., Credit Suisse Securities \(USA\) LLC, Goldman Sachs & Co. LLC and U.S. Bancorp Investments, Inc., as representatives of the several underwriters named therein, in connection with the Company’s issuance and sale of the Bonds.](#)

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DUKE ENERGY OHIO, INC.

Date: January 8, 2019

By: /s/ Robert T. Lucas III, Esq.

Name: Robert T. Lucas III, Esq.

Title: Deputy General Counsel and
Assistant Corporate Secretary

DUKE ENERGY OHIO, INC.
(FORMERLY NAMED “THE CINCINNATI GAS & ELECTRIC COMPANY”)

TO

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
AS TRUSTEE
(SUCCESSOR TRUSTEE TO THE BANK OF NEW YORK MELLON
AND TO IRVING TRUST COMPANY)

FORTY-SIXTH SUPPLEMENTAL INDENTURE

DATED AS OF January 8, 2019

TO

FIRST MORTGAGE

DATED AS OF AUGUST 1, 1936

Subjecting Certain Additional Property to the Lien of the Indenture

and

Creating First Mortgage Bonds, 3.65% Series, Due February 1, 2029
and First Mortgage Bonds, 4.30% Series, Due February 1, 2049

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FORTY-SIXTH SUPPLEMENTAL INDENTURE, dated as of January 8, 2019, between **DUKE ENERGY OHIO, INC.** (hereinafter sometimes referred to as the “Company”), a corporation organized and existing under the laws of the State of Ohio, formerly named The Cincinnati Gas & Electric Company, and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association, and the successor trustee to The Bank of New York Mellon and Irving Trust Company (hereinafter sometimes referred to as the “Trustee”), whose mailing address is 10161 Centurion Parkway N, Jacksonville, Florida 32256.

RECITALS OF THE COMPANY

The Indenture, dated as of August 1, 1936 (the “Original Indenture”) was authorized, executed and delivered by the Company to provide for the issuance from time to time of its bonds, to be issued in one or more series as contemplated therein, and to provide security for the payment of the principal of and premium, if any, and interest, if any, on the bonds.

The Company has heretofore executed and delivered to the Trustee forty-five supplemental indentures for the purposes recited therein, including creating series of Securities and otherwise amending, restating and supplementing the Original Indenture (the Original Indenture, as so amended, restated and supplemented, being hereinafter called the “Indenture”).

The Company, by appropriate corporate action in conformity with the terms of the Indenture, has duly determined to make, execute and deliver to the Trustee this Forty-sixth Supplemental Indenture to the Indenture (i) as permitted by Section 13.01 of the Indenture in order to subject to the Lien of the Indenture all right, title and interest of the Company, as of the date of this Forty-sixth Supplemental Indenture, in and to certain property, real, personal and mixed, in connection with the transmission and distribution of natural gas by the Company and, in so doing, include such property in the definition of Mortgaged Property, exclude such property from the definition of Excepted Property and modify the definition of Permitted Liens and (ii) as permitted by Sections 2.01, 3.01, 13.01, 16.02 and/or Section 16.03 of the Indenture in order to establish the form or terms of, and to provide for the creation and issuance of, two new series of Securities (each, a “Series”) under the Indenture to be designated as (a) “First Mortgage Bonds, 3.65% Series, Due February 1, 2029” in an aggregate principal amount of \$400,000,000 (hereinafter referred to as the “Bonds of Series Due 2029”) and (b) “First Mortgage Bonds, 4.30% Series, Due February 1, 2049” in an aggregate principal amount of \$400,000,000 (hereinafter referred to as the “Bonds of Series Due 2049” and, together with the Bonds of Series Due 2029, the “Bonds”).

All things necessary to make the Bonds of each Series herein described, when duly authenticated by the Trustee and issued by the Company, valid, binding, and legal obligations of the Company, and to make this Forty-sixth Supplemental Indenture a valid and binding agreement supplemental to the Indenture, have been done and performed.

THIS FORTY-SIXTH SUPPLEMENTAL INDENTURE WITNESSETH:

In consideration of the premises and of the acceptance and purchase of the Bonds of each Series, the Company hereby covenants and agrees to and with the Trustee as follows:

ARTICLE ONE.

DEFINITIONS

SECTION 1.01. DEFINITIONS.

(a) In addition to the words and terms defined elsewhere in this Forty-sixth Supplemental Indenture, the following defined term used herein shall, unless the context otherwise requires, have the meaning specified below.

“Business Day” means any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in New York, New York or Cincinnati, Ohio are generally authorized or required by law, regulation or executive order to remain closed.

(b) Each capitalized term that is used herein and is defined in the Indenture shall have the meaning specified in the Indenture unless such term is otherwise defined herein. The terms defined herein include the plural as well as the singular.

ARTICLE TWO.

AMENDMENTS TO THE INDENTURE

SECTION 2.01. AMENDMENT TO THE FIRST GRANTING CLAUSE

(a) The First Granting Clause is hereby amended by inserting the following section heading prior to clause (a) in such First Granting Clause:

(1) **Electric Property.**

(b) The First Granting Clause is hereby further amended by inserting the following section immediately after the last word of clause (g) in such First Granting Clause:

(2) **Natural Gas Property.**

All right, title and interest of the Company, as of the date of the Forty-sixth Supplemental Indenture, in and to all property, real, personal and mixed, wherever located (other than Excepted Property), in any case used or to be used in or in connection with the transmission, storage and distribution of natural gas by the Company (whether or not such use is the sole use of such property), including without limitation, all right, title and interest of the Company in and to the following:

(a) all real property owned in fee, easements and other interests in real property;

- (b) without limiting the generality of the foregoing, all recorded easements or rights of way on, upon, over, under and through real property located in the State of Ohio, used or useful in the Company's transmission or distribution of natural gas and acquired by the Company in the ordinary course of its business, whether acquired by deed, grant of easement, dedication by plat or otherwise, and whether acquired in the name of the Company or any of its predecessor companies and including the Company's right to the joint use of any easement or right of way acquired by any other utility company;
- (c) all facilities, machinery, equipment and fixtures for the storage, transmission and distribution of natural gas including, but not limited to, all storage facilities, natural gas transmission lines and gas distribution systems, including, but not limited to, all water sets, benches and retorts, gas holders, boilers, purification apparatus, exhausters and pumps, meters and meter installations, gauges, regulators and regulator installations, governors, calorimetric devices, valves, fuel handling apparatus, safety tanks, valves, pipes and piping, couplings, gates, drips, lighting and heating apparatus, machinery, equipment, appliances, and all accessory equipment, appurtenances and supplies forming a part of such natural gas storage facilities, transmission lines and distribution systems and all other property used or to be used for any or all of such purposes;
- (d) all buildings, offices, warehouses, structures or improvements in addition to those referred to or otherwise included in clauses (a) and (c) in Section 2 above;
- (e) all franchises, licenses, permits, grants, immunities, privileges and rights of the Company used or useful in the operation of its natural gas transmission and distribution businesses, including all franchises, licenses, permits, grants, immunities, privileges and rights of the Company granted by any municipalities or political subdivisions, and all right, title and interest therein owned by the Company on the date of the Forty-sixth Supplemental Indenture, and all renewals, extensions and modifications of said franchises, grants, privileges and rights, or any of them;
- (f) all computers, data processing, data storage, data transmission and/or telecommunications facilities, equipment and apparatus necessary for the operation or maintenance of any facilities, machinery, equipment or fixtures described or referred to in clause (c) in Section 2 above; and
- (g) all of the foregoing property in the process of construction;

SUBJECT, however, to Liens which have been granted on such property by the Company to prior to the date of the execution and delivery of this Forty-sixth Supplemental Indenture.

SECTION 2.02. AMENDMENT TO THE SECOND GRANTING CLAUSE.

- (a) The Second Granting Clause is hereby amended and replaced with the following in entirety:

“Subject to the applicable exceptions permitted by Section 17.09(d), Section 12.03 and Section 12.05, (i) all right, title and interest of the Company in all property, real, personal and mixed, wherever located (other than Excepted Property), as set forth in Section 1 of the First Granting Clause, which may be hereafter acquired by the Company, it being the intention of the Company that all such property acquired by the Company after the Execution Date shall be as fully embraced within and subjected to the Lien hereof as if such property were owned by the Company as of the Execution Date and (ii) all right, title and interest of the Company in all property, real, personal and mixed, wherever located (other than Excepted Property), as set forth in Section 2 of the First Granting Clause, which may be hereafter acquired by the Company, it being the intention of the Company that all such property acquired by the Company after the date of the Forty-sixth Supplemental Indenture shall be as fully embraced within and subjected to the Lien hereof as if such property were owned by the Company as of the date of the Forty-sixth Supplemental Indenture; and”

SECTION 2.03. AMENDMENT TO THE DEFINITION OF EXCEPTED PROPERTY.

- (a) Clause (b) is hereby amended by inserting the words “and natural gas” in each instance immediately after the word “electric” appears.
- (b) Clause (d) is hereby amended by inserting the following words immediately prior to the words “of the First Granting Clause”:
“in Sections (1) and (2)”
- (c) Clause (k) is hereby deleted in its entirety and replaced with the following words:
“(k) [Reserved]”
- (d) Clause (l) is hereby amended by inserting the words “and natural gas” immediately after the word “electric”.

SECTION 2.04. AMENDMENT TO THE DEFINITION OF PERMITTED LIENS.

- (a) Clause (a) is hereby amended by adding the following words immediately after “the Original Indenture”:

“and, with respect to property described in Section 2 of the First Granting Clause, Liens existing at the date of the Forty-sixth Supplemental Indenture.”

ARTICLE THREE.

FIRST MORTGAGE BONDS, 3.65% SERIES, DUE FEBRUARY 1, 2029 AND FIRST MORTGAGE BONDS, 4.30% SERIES, DUE FEBRUARY 1, 2049

SECTION 3.01. CREATION AND DESIGNATION OF BONDS.

There is hereby created two series of Securities to be issued under and secured by the Indenture, to be designated as (i) “First Mortgage Bonds, 3.65% Series, Due February 1, 2029” (such series being the Bonds of Series Due 2029 hereinbefore referenced), and (ii) “First Mortgage Bonds, 4.30% Series, Due February 1, 2049” (such series being the Bonds of Series Due 2049 hereinbefore referenced).

SECTION 3.02. AGGREGATE PRINCIPAL AMOUNT OF BONDS OF EACH SERIES ISSUABLE.

(a) The principal amount of Bonds of Series Due 2029 which may be authenticated and delivered hereunder is initially limited to the aggregate principal amount of Four Hundred Million Dollars (\$400,000,000) and the principal amount of Bonds of Series Due 2049 which may be authenticated and delivered hereunder is initially limited to the aggregate principal amount of Four Hundred Million Dollars (\$400,000,000) (except, in each case, for Bonds of each Series authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Bonds of such Series pursuant to Section 3.04, 3.05, 3.06, 5.06 or 13.06 of the Indenture and except for any Bonds of each such Series which, pursuant to Section 3.03 of the Indenture, are deemed never to have been authenticated and delivered hereunder); provided that Section 3.01 of the Indenture provides that without the consent of any Holder, the aggregate principal amount of a series of Securities may be increased and additional Securities of such series may be issued up to the maximum aggregate principal amount authorized with respect to such series as increased, provided that such additional Securities of such series are fungible with the previously issued Securities of such series for Federal income tax purposes.

(b) The Bonds of Series Due 2029 in the aggregate principal amount of Four Hundred Million Dollars (\$400,000,000) and the Bonds of Series Due 2049 in the aggregate principal amount of Four Hundred Million Dollars (\$400,000,000) may at any time subsequent to the execution hereof be executed by the Company and delivered to the Trustee and shall be authenticated by the Trustee and delivered (either before or after the recording hereof) upon the basis of either Retired Securities and/or Property Additions issued and delivered to the Trustee for such purpose, pursuant to a Company Order referred to in Section 16.02 and/or Section 16.03 of the Indenture and upon receipt by the Trustee of the officer’s certificate or opinion and other documents required by said Section 16.02 and/or Section 16.03.

SECTION 3.03. BOOK-ENTRY SYSTEM.

The following provisions shall apply to the Bonds of each Series.

(a) The Bonds of each Series shall be issued in fully registered form only. However, except as provided elsewhere in this Section, the registered owner of each Series of Bonds initially shall be The Depository Trust Company (“DTC”) or its nominee, and each such Series of Bonds initially shall be registered in the name of DTC or its nominee. Payment of the principal or Redemption Price (if any) of or interest on Bonds of each Series registered in the name of DTC or its nominee shall be made in the manner specified in DTC’s rules and by-laws. DTC (and any successor securities depository) and its (or their) participating institutions (each, a “Participant”) shall maintain a book-entry registration and transfer system with respect to ownership of beneficial interests in the Bonds of each Series (the “Book-Entry System”).

(b) The Bonds of each Series initially shall be issued in the form of one or more authenticated, fully registered bonds for such series (each, a “Global Security”) which (i) need not be in the form of a lithographed or engraved certificate, but may be typewritten or printed on ordinary paper or such paper as the Trustee may reasonably request, (ii) shall represent and be denominated in an amount equal to 100% of the aggregate principal amount of such Series of Bonds issued under the Indenture and this Forty-sixth Supplemental Indenture, (iii) shall be executed by the Company and authenticated by the Trustee in accordance with the provisions of the Indenture and this Forty-sixth Supplemental Indenture, (iv) shall be registered in the name of DTC or its nominee, and delivered to DTC or its nominee or a custodian therefor, and (v) shall contain the following legend on the face thereof:

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered holder hereof, Cede & Co., has an interest herein.

Unless and until it is exchanged in whole or in part for Bonds of Series Due 2029 or Bonds of Series Due 2049 (as applicable) in definitive certificated form, each Global Security representing the Bonds of such Series may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any such nominee to a successor securities depository or a nominee of any such successor securities depository.

(c) The Trustee and the Company may treat DTC or its nominee, or any successor securities depository or nominee thereof (collectively, the “Depository”) as the sole and exclusive owner of the Bonds of each Series registered in its name for the purposes of payment of the principal or Redemption Price (if any) of or interest on the Bonds of such Series, giving any notice permitted or required to be given to Holders of the Bonds of such Series under the Indenture or this Forty-fourth Supplemental Indenture, registering the transfer of the Bonds of such Series, obtaining any consent or other action to be taken by Holders of the Bonds of such Series, and for all other purposes whatsoever and neither the Trustee nor the Company shall be affected by any notice to the contrary. Neither the Company nor the Trustee nor any Security Registrar nor any Paying Agent shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in a Series of Bonds under or through the Depository or any Participant, or any other Person which is not shown on the Security Register as being a Holder of a Series of Bonds with respect to (i) the accuracy of any records maintained by the Depository or any Participant; (ii) the payment by the Depository to any Participant of any amount in respect of the principal or Redemption Price (if any) of or interest on the Bonds of such Series; (iii) the payment by any Participant to any owner of a beneficial ownership interest in the Bonds of such Series in respect of the principal or Redemption Price (if any) of or interest on the Bonds of such Series or (iv) any consent or other action taken by the Depository as owner of the Bonds of such Series. The Trustee shall pay all principal or Redemption Price (if any) of and interest on the Bonds of each Series only to or upon the order of the registered Holder or Holders of the Bonds of such Series, as shown on the Security Register, and all such payments shall be valid and effective to fully satisfy and discharge the Company’s obligations with respect to the principal or Redemption Price (if any) of and interest on the Bonds of such Series, to the extent of the sum or sums so paid. Except as hereinafter provided, no Person other than a Holder of a Bond of a Series, as shown on the Security Register, shall receive an authenticated Bond of such Series evidencing the obligation of the Company to make payment of the principal or Redemption Price (if any) of and interest on the Bonds of such Series, pursuant to the Indenture or this Forty-sixth Supplemental Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee for Cede & Co, and subject to the provisions of the Indenture, the word “Cede & Co.”, as used in this Forty-sixth Supplemental Indenture, shall refer to each new nominee of DTC.

(d) In the event that after the occurrence of an Event of Default that has not been cured or waived, holders of a majority in aggregate principal amount of the beneficial interests in the Bonds of a Series, as reflected in the books and records of the Depository, notify the Trustee, through the Depository or any Participant, that the continuation of the Book-Entry System is no longer in the best interests of such holders of beneficial interests in the Bonds of such Series, then the Trustee shall notify the Depository and the Company, and the Depository will notify each Participant of the availability through the Depository of definitive certificated Bonds of such Series. In such event, the Company shall execute, and the Trustee, upon receipt of a Company Order, for the authentication and delivery of definitive certificated Bonds of such Series, will authenticate and deliver such Bonds in definitive certificated form, in any authorized denominations, all pursuant to the provisions of the Indenture and this Forty-sixth Supplemental Indenture, to the Person or Persons specified to the Trustee in writing by the Depository in the

aggregate principal amount of the applicable Global Security or Securities and in exchange for such Global Security or Securities.

(e) If at any time the Depository notifies the Company that it is unwilling or unable to continue as Depository for a Series of Bonds, or if at any time the Depository shall no longer be registered as a clearing agency in good standing under the Exchange Act or other applicable statute or regulation, the Company may appoint a successor Depository with respect to the Bonds of such Series. If a successor Depository for the Bonds of such Series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive certificated Bonds of such Series, will authenticate and deliver Bonds of such Series in definitive certificated form, in any authorized denominations, all pursuant to the provisions of the Indenture and this Forty-sixth Supplemental Indenture, to the Person or Persons specified to the Trustee in writing by the Depository in the aggregate principal amount of the applicable Global Security or Global Securities and in exchange for such Global Security or Global Securities.

(f) The Company may at any time and in its sole discretion and subject to the procedures of the Depository determine that a Series of Bonds shall no longer be represented by a Global Security or Global Securities. In such event the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive certificated Bonds, will authenticate and deliver such Bonds in definitive certificated form, in any authorized denominations, all pursuant to the provisions of the Indenture and this Forty-sixth Supplemental Indenture, to the Person or Persons specified to the Trustee in writing by the Depository in the aggregate principal amount of the applicable Global Security or Global Securities and in exchange for such Global Security or Global Securities.

(g) Upon the exchange of any Global Security for the Bonds of Series Due 2029 or the Bonds of Series Due 2049 in definitive certificated form, in authorized denominations, the related Global Security or Global Securities shall be cancelled by the Trustee.

(h) Whenever the Depository requests the Company and the Trustee to do so, the Trustee and the Company will cooperate with the Depository in taking appropriate action after reasonable notice to (i) make available one or more separate Global Securities evidencing a Series of Bonds to any Participant having Bonds of such Series credited to its account at the Depository, or (ii) arrange for another Depository to maintain custody of the Global Security or Securities evidencing a Series of Bonds.

(i) In connection with any notice or other communication to be provided to Holders of the Bonds of a Series pursuant to the Indenture or this Forty-sixth Supplemental Indenture by the Company or the Trustee with respect to any consent or other action to be taken by Holders of the Bonds of such Series, the Company or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the Depository notice of such record date not less than 15 calendar days in advance of such record date to the extent possible. Such notice

to the Depository shall be given only so long as a Depository or its nominee is the sole Holder of the Bonds of such Series.

SECTION 3.04. DATE OF BONDS OF EACH SERIES.

Each Bond of Series Due 2029 and each Bond of Series Due 2049 issued prior to the first Interest Payment Date therefor shall be dated as of January 8, 2019, and otherwise shall be dated as provided in Section 3.03 of the Indenture.

SECTION 3.05. MATURITY DATE, INTEREST RATE, INTEREST PAYMENT DATES AND REGULAR RECORD DATES FOR THE BONDS OF EACH SERIES.

(a) All Bonds of Series Due 2029 shall be due and payable on February 1, 2029, and shall bear interest from January 8, 2019 or the last date to which interest has been paid or duly provided for at the rate of 3.65% per annum, payable semi-annually on the first day of February and August in each year, commencing August 1, 2019 (each such date being an Interest Payment Date for the Bonds of Series Due 2029). In the event that any Interest Payment Date for the Bonds of Series Due 2029 should fall on a day that is not a Business Day, then the interest payment shall be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after such Interest Payment Date.

(b) All Bonds of Series Due 2049 shall be due and payable on February 1, 2049, and shall bear interest from January 8, 2019 or the last date to which interest has been paid or duly provided for at the rate of 4.30% per annum, payable semi-annually on the first day of February and August in each year, commencing August 1, 2019 (each such date being an Interest Payment Date for the Bonds of Series Due 2049). In the event that any Interest Payment Date for the Bonds of Series Due 2049 should fall on a day that is not a Business Day, then the interest payment shall be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after such Interest Payment Date.

(c) Subject to certain exceptions provided in the Indenture or this Forty-sixth Supplemental Indenture, the interest payable on any Interest Payment Date for Bonds of each Series shall be paid to the Person in whose name such Series of Bonds shall be registered at the close of business on the Regular Record Date for such Series of Bonds (as defined in the form of the Bonds of such Series set forth in Section 3.10) or, in the case of any Defaulted Interest therefor, in the manner and to the Person as provided in Section 3.07 of the Indenture.

SECTION 3.06. PLACE AND MANNER OF PAYMENT OF BONDS OF EACH SERIES.

Subject to agreements with or the rules of the Depository or any successor book-entry security system or similar system with respect to Global Securities, the principal or Redemption Price (if any) of and interest on the Bonds of each Series shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, at the office or agency of the Company in Cincinnati, Ohio, or, at the option of the Holder thereof, at the office or agency of the Company in the Borough of

Manhattan, The City of New York, State of New York, except that interest on the Bonds of each Series may be paid, at the option of the Company, by check or draft mailed to the address of the Person entitled thereto as it appears on the Security Register.

SECTION 3.07. DENOMINATIONS AND NUMBERING OF DEFINITIVE BONDS OF EACH SERIES.

Definitive Bonds of each Series shall be issuable in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof, numbered in each case consecutively from “R-1” upward.

SECTION 3.08. TEMPORARY BONDS OF EACH SERIES AND EXCHANGE THEREOF.

Pursuant to the provisions of Section 3.04 of the Indenture, Bonds of each Series may be issued in temporary form, and if temporary bonds be issued, the Company shall, with all reasonable dispatch, at its own expense and without charge to the holders of the temporary bonds, prepare and execute definitive Bonds of such Series and exchange the temporary bonds for such definitive bonds in the manner provided for in said Section, provided, however, no presentation or surrender of temporary Bonds shall be necessary in order for the Holders entitled to interest thereon to receive such interest.

SECTION 3.09. REDEMPTION PROVISIONS OF THE BONDS.

(a) Bonds of Series Due 2029.

(i) At any time before November 1, 2028 (the “2029 Par Call Date”), the Bonds of Series Due 2029 may be redeemed in whole or in part, at the option of the Company at any time, at a Redemption Price equal to the greater of (1) 100% of the principal amount of the Bonds of Series Due 2029 being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds of Series Due 2029 being redeemed that would be due if the Bonds of Series Due 2029 matured on the 2029 Par Call Date (exclusive of interest accrued to the Redemption Date), discounted to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 0.20% (20 basis points), plus, in each case, accrued and unpaid interest on the principal amount of the Bonds of Series Due 2029 being redeemed to, but excluding, the Redemption Date. For the avoidance of doubt, interest that is due and payable on an Interest Payment Date for the Bonds of Series Due 2029 falling on or prior to a Redemption Date therefor will be payable on such Interest Payment Date in accordance with the Bonds of Series Due 2029 and the Indenture. The Company shall notify the Trustee of the Redemption Price with respect to any redemption pursuant to this paragraph promptly after the calculation thereof. The Trustee shall not be responsible for calculating said Redemption Price.

At any time on or after the 2029 Par Call Date, the Bonds of Series Due 2029 may be redeemed in whole or in part, at the option of the Company at any time, at a Redemption Price equal to 100% of the principal amount of the Bonds of Series Due 2029 being redeemed plus accrued and unpaid interest on the principal amount of the Bonds of Series Due 2029 being redeemed to, but excluding, the Redemption Date.

(b) Bonds of Series Due 2049.

(i) At any time before August 1, 2048 (the “2049 Par Call Date”), the Bonds of Series Due 2049 may be redeemed in whole or in part, at the option of the Company at any time, at a Redemption Price equal to the greater of (1) 100% of the principal amount of the Bonds of Series Due 2049 being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds of Series Due 2049 being redeemed that would be due if the Bonds of Series Due 2049 matured on the 2049 Par Call Date (exclusive of interest accrued to the Redemption Date), discounted to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 0.25% (25 basis points), plus, in each case, accrued and unpaid interest on the principal amount of the Bonds of Series Due 2049 being redeemed to, but excluding, the Redemption Date. For the avoidance of doubt, interest that is due and payable on an Interest Payment Date for the Bonds of Series Due 2049 falling on or prior to a Redemption Date therefor will be payable on such Interest Payment Date in accordance with the Bonds of Series Due 2049 and the Indenture. The Company shall notify the Trustee of the Redemption Price with respect to any redemption pursuant to this paragraph promptly after the calculation thereof. The Trustee shall not be responsible for calculating said Redemption Price.

At any time on or after the 2049 Par Call Date, the Bonds of Series Due 2049 may be redeemed in whole or in part, at the option of the Company at any time, at a Redemption Price equal to 100% of the principal amount of the Bonds of Series Due 2049 being redeemed plus accrued and unpaid interest on the principal amount of the Bonds of Series Due 2049 being redeemed to, but excluding, the Redemption Date.

(c) For purposes of this Section 3.09, except as otherwise expressly provided or unless the context otherwise requires:

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the applicable Series of Bonds being redeemed (assuming, for this purpose, that the Bonds of Series Due 2029 matured on the 2029 Par Call Date and the Bonds of Series Due 2049 matured on the 2049 Par Call Date), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of Bonds of such Series.

“Comparable Treasury Price” means, with respect to any Redemption Date, (A) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Quotation Agent obtains fewer than four of such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations.

“Quotation Agent” means one of the Reference Treasury Dealers appointed by the Company.

“Reference Treasury Dealer” means each of (i) Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and Goldman Sachs & Co. LLC and (ii) a Primary Treasury Dealer (as defined below) selected by U.S. Bancorp Investments, Inc., plus one other financial institution appointed by the Company at the time of any redemption, or their respective affiliates or successors, each of which is a primary U.S. Government securities dealer in the United States (a “Primary Treasury Dealer”); provided, however, that if any of the foregoing or their affiliates or successors shall cease to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Quotation Agent, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated maturity (on a day count basis) of the applicable Comparable Treasury Issue, assuming a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

(d) Notice of any redemption by the Company will be mailed by or at the direction of the Company at least ten (10) days but not more than sixty (60) days before any Redemption Date to each Holder of Bonds of a Series to be redeemed. If less than all the Bonds of a Series are to be redeemed at the option of the Company, the Bonds of such Series, if they are in global form, will be redeemed in accordance with the procedures of DTC, and if they are in the form of definitive certificates, the Trustee shall select, in such manner as it shall deem fair and appropriate, the Bonds of such Series to be redeemed in whole or in part.

(e) Unless the Company defaults in payment of the Redemption Price therefor, on and after any Redemption Date therefor, interest will cease to accrue on the Bonds of a Series or portions thereof called for redemption.

(f) The Company shall indemnify and hold harmless the Trustee from any and all losses, costs, damages, expenses, fees (including reasonable attorneys' fees), court costs, judgments, penalties, obligations, suits, disbursements and liabilities of any kind or character whatsoever which may at any time be imposed upon, incurred by or asserted against the Trustee by reason of or arising out of or caused, directly or indirectly, by any act or omission of the Trustee with respect to this Section 3.09, except for such that would arise out of the gross negligence, willful misconduct or bad faith of the Trustee and except for costs and expenses arising in the ordinary course of the Trustee's business.

SECTION 3.10. FORM OF THE BONDS OF EACH SERIES.

The Bonds of each Series and the respective Trustee's certificates to be endorsed thereon shall be substantially in the following form:

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.]

(FORM OF BOND OF SERIES DUE 2029)

[Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered holder hereof, Cede & Co., has an interest herein.](1)

No. R-
CUSIP No: 26442EAF7
ISIN: US26442EAF79

\$

DUKE ENERGY OHIO, INC.
FIRST MORTGAGE BOND, 3.65% SERIES,
DUE FEBRUARY 1, 2029

Duke Energy Ohio, Inc., an Ohio corporation (hereinafter called the "Company"), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars (\$) on the first day of February, 2029 and to pay interest on said sum from January 8, 2019 or from the most recent date to which interest has been paid or duly provided for, until said principal sum is paid or made available for payment, at the rate of 3.65% per annum, payable semi-annually on the first day of February and August in each year, commencing August 1, 2019 (each such date herein called an "Interest Payment Date"). The principal of and premium, if any, and interest on this bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts at the office or agency of the Company in Cincinnati, Ohio, or, at the option of the registered owner hereof, at the office or agency of the Company in the Borough of Manhattan, The City of New York, State of New York, except that interest on this bond may be paid, at the option of the Company, by check or draft mailed to the address of the Person entitled thereto as it appears on the Security Register.

This bond is one of the Securities of the Company issued and to be issued from time to time under and in accordance with and all secured by a First Mortgage Indenture, dated as of August 1, 1936, from the Company to The Bank of New York Mellon Trust Company, N.A., as successor Trustee (which indenture as amended, restated and supplemented by all supplemental indentures is hereinafter referred to as the "Indenture"). Said Trustee or its successor in trust under the Indenture is hereinafter sometimes referred to as the "Trustee." Reference is hereby made to the Indenture for a description of the property mortgaged and pledged and the nature and extent of the security for said Securities. By the terms of the Indenture, the Securities secured

(1) This should be included only if the Bonds of Series Due 2029 are being issued in global form.

thereby are issuable in series which may vary as to date, amount, date of maturity, rate of interest and in other respects as in the Indenture provided.

As used herein, “Business Day” means any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in New York, New York or Cincinnati, Ohio are generally authorized or required by law, regulation or executive order to remain closed. Capitalized terms not otherwise defined herein have the meanings specified therefor in the Indenture.

This bond is one of a series designated as “First Mortgage Bonds, 3.65% Series, Due February 1, 2029” (hereinafter referred to as the “Bonds”) of the Company issued under and secured by the Indenture and created by a Forty-sixth Supplemental Indenture, dated as of January 8, 2019.

Subject to certain exceptions provided in the Indenture, the interest payable on any Interest Payment Date shall be paid to the Person in whose name this bond shall be registered at the close of business on the Regular Record Date (hereinafter defined) or, in the case of Defaulted Interest therefor, in the manner and to the person as provided in the Indenture. If any Interest Payment Date should fall on a day that is not a Business Day, then the interest payment shall be made on the next succeeding Business Day and no interest shall accrue for the intervening period with respect to the payment so deferred.

The term “Regular Record Date” shall mean, with respect to any Interest Payment Date for any Bonds, the close of business on the fifteenth (15th) calendar day next preceding the respective Interest Payment Date (whether or not a Business Day); provided, however, that so long as the Bonds are held by a Depository in the form of one or more Global Securities, the Regular Record Date with respect to each Interest Payment Date will be the close of business on the Business Day before the applicable Interest Payment Date.

At any time before November 1, 2028 (the “Par Call Date”), the Bonds may be redeemed in whole or in part, at the option of the Company at any time, at a Redemption Price equal to the greater of (1) 100% of the principal amount of the Bonds being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds being redeemed that would be due if the Bonds matured on the Par Call Date (exclusive of interest accrued to the Redemption Date), discounted to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 0.20% (20 basis points), plus, in the case of each of clause (1) and (2), accrued and unpaid interest on the principal amount of the Bonds being redeemed to, but excluding, the Redemption Date. For the avoidance of doubt, interest that is due and payable on an Interest Payment Date falling on or prior to a Redemption Date therefor will be payable on such Interest Payment Date in accordance with the Bonds and the Indenture.

At any time on or after the Par Call Date, the Bonds may be redeemed in whole or in part, at the option of the Company at any time, at a Redemption Price equal to 100% of the principal

amount of the Bonds being redeemed plus accrued and unpaid interest on the principal amount of the Bonds being redeemed to, but excluding, the Redemption Date.

For purposes of the redemption provisions of the Bonds, the following terms have the following meanings:

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the Bonds being redeemed (assuming, for this purpose, that the Bonds matured on the Par Call Date), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of the Bonds.

“Comparable Treasury Price” means, with respect to any Redemption Date, (A) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Quotation Agent obtains fewer than four of such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations.

“Quotation Agent” means one of the Reference Treasury Dealers appointed by the Company.

“Reference Treasury Dealer” means each of (i) Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and Goldman Sachs & Co. LLC and (ii) a Primary Treasury Dealer (as defined below) selected by U.S. Bancorp Investments, Inc., plus one other financial institution appointed by the Company at the time of any redemption, or their respective affiliates or successors, each of which is a primary U.S. Government securities dealer in the United States (a “Primary Treasury Dealer”); provided, however, that if any of the foregoing or their affiliates or successors shall cease to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a

price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

Notice of any redemption by the Company will be mailed or transmitted by or at the request of the Company at least ten (10) days but not more than sixty (60) days before any Redemption Date to each Holder of Bonds to be redeemed. If less than all the Bonds are to be redeemed at the option of the Company, the Bonds, if they are in global form, will be redeemed in accordance with the procedures of DTC, and if they are in the form of definitive certificates, the Trustee shall select, in such manner as it shall deem fair and appropriate, the Bonds to be redeemed.

Unless the Company defaults in payment of the Redemption Price, on and after any Redemption Date for the Bonds, interest will cease to accrue on the Bonds or portions thereof called for redemption.

In the case of any of certain Events of Default specified in the Indenture, the principal of this bond may be declared or may become due and payable prior to the stated date of maturity hereof in the manner and with the effect provided in the Indenture.

No recourse shall be had for the payment of the principal or Redemption Price of or interest on this bond, or for any claim based hereon, or otherwise in respect hereof or of the Indenture, to or against any incorporator, shareholder, officer or director, past, present or future, of the Company or of any predecessor or successor company, either directly or through the Company or such predecessor or successor company, under any constitution or statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of incorporators, shareholders, directors and officers being waived and released by the registered owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Indenture.

The Bonds are issuable only in registered form without coupons. This bond is transferable by the registered owner hereof, in person or by an attorney duly authorized, at the Corporate Trust Office of The Bank of New York Mellon Trust Company, N.A., the Trustee, or its successor in trust under the Indenture, or, at the option of the registered owner, at the office or agency of the Company in the Borough of Manhattan, The City of New York, State of New York, upon the surrender and cancellation of this bond, and upon any such transfer a new registered Security or Securities of the same series and maturity date and for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Bonds are issuable in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. In the manner and subject to the limitations provided in the Indenture, the Bonds are exchangeable as between authorized denominations, upon presentation thereof for such purpose by the registered owner, at the Corporate Trust Office of The Bank of New York Mellon Trust Company, N.A., the Trustee, or its successor in trust under the Indenture, or, at the option

of the registered owner, at the office or agency of the Company in the Borough of Manhattan, The City of New York, State of New York.

No service charge will be made for any transfer or exchange of this bond, but the Company may require a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

This bond shall not be valid or become obligatory for any purpose unless and until it shall have been authenticated by the execution by the Trustee, or its successor in trust under the Indenture, of the certificate endorsed hereon.

IN WITNESS WHEREOF, Duke Energy Ohio, Inc. has caused this bond to be executed in its name by the manual or facsimile signature of an Authorized Officer.

DUKE ENERGY OHIO, INC.

By _____
Authorized Signatory

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., AS TRUSTEE

By _____
Authorized Signatory

Dated:

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.]

(FORM OF BOND OF SERIES DUE 2049)

[Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered holder hereof, Cede & Co., has an interest herein.](1)

No. R-
CUSIP No: 26442EAG5
ISIN: US26442EAG52

\$

DUKE ENERGY OHIO, INC.
FIRST MORTGAGE BOND, 4.30% SERIES,
DUE FEBRUARY 1, 2049

Duke Energy Ohio, Inc., an Ohio corporation (hereinafter called the "Company"), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars (\$) on the first day of February, 2049 and to pay interest on said sum from January 8, 2019 or from the most recent date to which interest has been paid or duly provided for, until said principal sum is paid or made available for payment, at the rate of 4.30% per annum, payable semi-annually on the first day of February and August in each year, commencing August 1, 2019 (each such date herein called an "Interest Payment Date"). The principal of and premium, if any, and interest on this bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts at the office or agency of the Company in Cincinnati, Ohio, or, at the option of the registered owner hereof, at the office or agency of the Company in the Borough of Manhattan, The City of New York, State of New York, except that interest on this bond may be paid, at the option of the Company, by check or draft mailed to the address of the Person entitled thereto as it appears on the Security Register.

This bond is one of the Securities of the Company issued and to be issued from time to time under and in accordance with and all secured by a First Mortgage Indenture, dated as of August 1, 1936, from the Company to The Bank of New York Mellon Trust Company, N.A., as successor Trustee (which indenture as amended, restated and supplemented by all supplemental indentures is hereinafter referred to as the "Indenture"). Said Trustee or its successor in trust under the Indenture is hereinafter sometimes referred to as the "Trustee." Reference is hereby made to the Indenture for a description of the property mortgaged and pledged and the nature and

(1) This should be included only if the Bonds of Series Due 2049 are being issued in global form.

extent of the security for said Securities. By the terms of the Indenture, the Securities secured thereby are issuable in series which may vary as to date, amount, date of maturity, rate of interest and in other respects as in the Indenture provided.

As used herein, "Business Day" means any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in New York, New York or Cincinnati, Ohio are generally authorized or required by law, regulation or executive order to remain closed. Capitalized terms not otherwise defined herein have the meanings specified therefor in the Indenture.

This bond is one of a series designated as "First Mortgage Bonds, 4.30% Series, Due February 1, 2049" (hereinafter referred to as the "Bonds") of the Company issued under and secured by the Indenture and created by a Forty-sixth Supplemental Indenture, dated as of January 8, 2019.

Subject to certain exceptions provided in the Indenture, the interest payable on any Interest Payment Date shall be paid to the Person in whose name this bond shall be registered at the close of business on the Regular Record Date (hereinafter defined) or, in the case of Defaulted Interest therefor, in the manner and to the person as provided in the Indenture. If any Interest Payment Date should fall on a day that is not a Business Day, then the interest payment shall be made on the next succeeding Business Day and no interest shall accrue for the intervening period with respect to the payment so deferred.

The term "Regular Record Date" shall mean, with respect to any Interest Payment Date for any Bonds, the close of business on the fifteenth (15th) calendar day next preceding the respective Interest Payment Date (whether or not a Business Day); provided, however, that so long as the Bonds are held by a Depository in the form of one or more Global Securities, the Regular Record Date with respect to each Interest Payment Date will be the close of business on the Business Day before the applicable Interest Payment Date.

At any time before August 1, 2048 (the "Par Call Date"), the Bonds may be redeemed in whole or in part, at the option of the Company at any time, at a Redemption Price equal to the greater of (1) 100% of the principal amount of the Bonds being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds being redeemed that would be due if the Bonds matured on the Par Call Date (exclusive of interest accrued to the Redemption Date), discounted to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 0.25% (25 basis points), plus, in the case of each of clause (1) and (2), accrued and unpaid interest on the principal amount of the Bonds being redeemed to, but excluding, the Redemption Date. For the avoidance of doubt, interest that is due and payable on an Interest Payment Date falling on or prior to a Redemption Date therefor will be payable on such Interest Payment Date in accordance with the Bonds and the Indenture.

At any time on or after the Par Call Date, the Bonds may be redeemed in whole or in part, at the option of the Company at any time, at a Redemption Price equal to 100% of the principal amount of the Bonds being redeemed plus accrued and unpaid interest on the principal amount of the Bonds being redeemed to, but excluding, the Redemption Date.

For purposes of the redemption provisions of the Bonds, the following terms have the following meanings:

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the Bonds being redeemed (assuming, for this purpose, that the Bonds matured on the Par Call Date), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of the Bonds.

“Comparable Treasury Price” means, with respect to any Redemption Date, (A) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Quotation Agent obtains fewer than four of such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations.

“Quotation Agent” means one of the Reference Treasury Dealers appointed by the Company.

“Reference Treasury Dealer” means each of (i) Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and Goldman Sachs & Co. LLC and (ii) a Primary Treasury Dealer (as defined below) selected by U.S. Bancorp Investments, Inc., plus one other financial institution appointed by the Company at the time of any redemption, or their respective affiliates or successors, each of which is a primary U.S. Government securities dealer in the United States (a “Primary Treasury Dealer”); provided, however, that if any of the foregoing or their affiliates or successors shall cease to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

Notice of any redemption by the Company will be mailed or transmitted by or at the request of the Company at least ten (10) days but not more than sixty (60) days before any Redemption Date to each Holder of Bonds to be redeemed. If less than all the Bonds are to be redeemed at the option of the Company, the Bonds, if they are in global form, will be redeemed in accordance with the procedures of DTC, and if they are in the form of definitive certificates, the Trustee shall select, in such manner as it shall deem fair and appropriate, the Bonds to be redeemed.

Unless the Company defaults in payment of the Redemption Price, on and after any Redemption Date for the Bonds, interest will cease to accrue on the Bonds or portions thereof called for redemption.

In the case of any of certain Events of Default specified in the Indenture, the principal of this bond may be declared or may become due and payable prior to the stated date of maturity hereof in the manner and with the effect provided in the Indenture.

No recourse shall be had for the payment of the principal or Redemption Price of or interest on this bond, or for any claim based hereon, or otherwise in respect hereof or of the Indenture, to or against any incorporator, shareholder, officer or director, past, present or future, of the Company or of any predecessor or successor company, either directly or through the Company or such predecessor or successor company, under any constitution or statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of incorporators, shareholders, directors and officers being waived and released by the registered owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Indenture.

The Bonds are issuable only in registered form without coupons. This bond is transferable by the registered owner hereof, in person or by an attorney duly authorized, at the Corporate Trust Office of The Bank of New York Mellon Trust Company, N.A., the Trustee, or its successor in trust under the Indenture, or, at the option of the registered owner, at the office or agency of the Company in the Borough of Manhattan, The City of New York, State of New York, upon the surrender and cancellation of this bond, and upon any such transfer a new registered Security or Securities of the same series and maturity date and for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Bonds are issuable in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. In the manner and subject to the limitations provided in the Indenture, the Bonds

are exchangeable as between authorized denominations, upon presentation thereof for such purpose by the registered owner, at the Corporate Trust Office of The Bank of New York Mellon Trust Company, N.A., the Trustee, or its successor in trust under the Indenture, or, at the option of the registered owner, at the office or agency of the Company in the Borough of Manhattan, The City of New York, State of New York.

No service charge will be made for any transfer or exchange of this bond, but the Company may require a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

This bond shall not be valid or become obligatory for any purpose unless and until it shall have been authenticated by the execution by the Trustee, or its successor in trust under the Indenture, of the certificate endorsed hereon.

IN WITNESS WHEREOF, Duke Energy Ohio, Inc. has caused this bond to be executed in its name by the manual or facsimile signature of an Authorized Officer.

DUKE ENERGY OHIO, INC.

By _____
Authorized Signatory

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS
TRUSTEE

By _____
Authorized Signatory

Dated:

[END OF ARTICLE THREE.]

ARTICLE FOUR.

MISCELLANEOUS

SECTION 4.01. INDENTURE RATIFIED AND CONFIRMED.

The Indenture, as supplemented by this Forty-sixth Supplemental Indenture, is in all respects ratified and confirmed and shall be read, taken and construed as one and the same instrument.

SECTION 4.02. EXECUTION IN COUNTERPARTS

This Forty-sixth Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 4.03. EFFECT OF HEADINGS AND TABLE OF CONTENTS.

The Article and Section headings in this Forty-sixth Supplemental Indenture and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 4.04. SUCCESSORS AND ASSIGNS.

All covenants and agreements in this Forty-sixth Supplemental Indenture by the Company and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 4.05. SEPARABILITY CLAUSE.

In case any provision in this Forty-sixth Supplemental Indenture shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 4.06. BENEFITS OF INDENTURE.

Nothing in this Forty-sixth Supplemental Indenture or the Bonds of Series Due 2029 or the Bonds of Series Due 2049, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder and the Holders of any Bonds of Series Due 2029 or any Bonds of Series Due 2049, any benefit or any legal or equitable right, remedy or claim under this Forty-sixth Supplemental Indenture.

SECTION 4.07. GOVERNING LAW.

This Forty-sixth Supplemental Indenture and the Bonds of Series Due 2029 and the Bonds of Series Due 2049 shall be governed by and construed in accordance with the laws of the State of Ohio, except (a) to the extent that the Trust Indenture Act shall be applicable, and (b) that the rights, duties, obligations, privileges, immunities and standard of care of the Trustee shall be governed by the laws of the State of New York.

SECTION 4.08. TRUSTEE NOT RESPONSIBLE FOR RECITALS, ETC.

The recitals contained herein are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Forty-sixth Supplemental Indenture.

[EXECUTION PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this Forty-sixth Supplemental Indenture to be duly executed as of the day and year first above written.

DUKE ENERGY OHIO, INC.

By /s/ John L. Sullivan, III

Name: John L. Sullivan, III

Title: Assistant Treasurer

[SIGNATURE PAGE TO FORTY-SIXTH SUPPLEMENTAL INDENTURE]

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as
Trustee

By /s/ Julie Hoffman-Ramos
Name: Julie Hoffman-Ramos
Title: Vice President

[SIGNATURE PAGE TO FORTY-SIXTH SUPPLEMENTAL INDENTURE]

STATE OF NORTH CAROLINA)
) ss:
COUNTY OF MECKLENBURG)

BE IT REMEMBERED, that on this 8th day of January, 2019, before me, the undersigned, a notary public in and for the County and State aforesaid, duly commissioned and qualified, personally appeared John L. Sullivan, III, personally known to me to be the same person whose name is subscribed to the foregoing instrument, and personally known to me to be the Assistant Treasurer of Duke Energy Ohio, Inc., an Ohio corporation, and acknowledged that he signed and delivered said instrument as his free and voluntary act as such Assistant Treasurer, and as the free and voluntary act of said Duke Energy Ohio, Inc., for the uses and purposes therein set forth; in pursuance of the power and authority granted to him by resolution of the Board of Directors of said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year aforesaid.

(NOTARIAL SEAL)

/s/ Phoebe P. Elliot

Notary Public

Name: Phoebe P. Elliot

Commission Expiration: June 26, 2021

State of Texas)
): ss
County of Harris)

On the 4th day of January in the year 2019, before me, the undersigned, personally appeared, Julie Hoffman-Ramos, a Vice President of The Bank of New York Mellon Trust Company, N.A., personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

/s/ Nancy Carpenter
Nancy Carpenter
Notary Public – State of Texas
Notary Id: 275467-4
Commission Expires August 31, 2019

DUKE ENERGY BUSINESS SERVICES LLC
 526 South Church Street
 Charlotte, North Carolina 28202

January 8, 2019

Duke Energy Ohio, Inc.
 139 East Fourth Street
 Cincinnati, Ohio 45202

Re: Duke Energy Ohio, Inc. \$400,000,000 aggregate principal amount of First Mortgage Bonds, 3.65% Series, Due February 1, 2029 and \$400,000,000 aggregate principal amount of First Mortgage Bonds, 4.30% Series, Due February 1, 2049

Ladies and Gentlemen:

I am Associate General Counsel of Duke Energy Business Services LLC, the service company affiliate of Duke Energy Ohio, Inc., an Ohio corporation (the "Company"), and in such capacity I have acted as counsel to the Company in connection with the public offering of \$400,000,000 aggregate principal amount of the Company's First Mortgage Bonds, 3.65% Series, Due February 1, 2029 and \$400,000,000 aggregate principal amount of the Company's First Mortgage Bonds, 4.30% Series, Due February 1, 2049 (collectively, the "Securities"), to be issued pursuant to a First Mortgage, dated as of August 1, 1936, between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as amended and supplemented from time to time, including the amendment and restatement thereof in its entirety by the Fortieth Supplemental Indenture, dated as of March 23, 2009 (said First Mortgage, as heretofore amended, restated and supplemented, the "First Mortgage"), and which will be further supplemented by the Forty-sixth Supplemental Indenture, dated as of January 8, 2019 (the "Supplemental Indenture" and, together with the First Mortgage, the "Indenture"). On January 3, 2019, the Company entered into an Underwriting Agreement (the "Underwriting Agreement") with Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Goldman Sachs & Co. LLC and U.S. Bancorp Investments, Inc., as representatives of the several underwriters named therein (the "Underwriters"), relating to the sale by the Company to the Underwriters of the Securities.

This opinion is being delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended (the "1933 Act").

My opinion set forth herein is limited to the laws of the State of Ohio. I do not express any opinion with respect to the laws of any other jurisdiction, or as to the effect thereof on the opinion herein stated.

In connection with this opinion, I or attorneys under my supervision (with whom I have consulted) have examined and are familiar with originals or copies, certified or otherwise identified to our satisfaction, of:

- (a) the registration statement on Form S-3, as amended (File No. 333-213765-02) of the Company originally filed on September 23, 2016, and subsequently filed on January 26, 2017, with the Securities and Exchange Commission (the "Commission") under the 1933 Act, allowing for delayed offerings pursuant to Rule 415 under the 1933 Act, the information deemed to be a part of such registration statement as of the date hereof pursuant to Rule 430B of the rules and regulations under the 1933 Act (the "1933 Act Regulations") and the information incorporated or deemed to be incorporated by reference in such registration statement pursuant to Item 12 of Form S-3 under the 1933 Act (such registration statement being hereinafter referred to as the "Registration Statement");
 - (b) the prospectus, dated January 26, 2017, including the information incorporated or deemed to be incorporated by reference therein (the "Base Prospectus"), which forms a part of and is included in
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the Registration Statement in the form filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations;

- (c) the preliminary prospectus supplement, dated January 3, 2019, including the information incorporated or deemed to be incorporated by reference therein (the “Preliminary Prospectus Supplement”), relating to the offering of the Securities in the form filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations;
- (d) the prospectus supplement, dated January 3, 2019, including the information incorporated or deemed to be incorporated by reference therein (the “Prospectus Supplement”), relating to the offering of the Securities in the form filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations (the Prospectus Supplement, together with the Base Prospectus, are collectively referred to herein as the “Prospectus”);
- (e) the Issuer Free Writing Prospectus issued at or prior to the Applicable Time, attached as Schedule C to the Underwriting Agreement and filed with the Commission pursuant to Rule 433(d) of the 1933 Act Regulations and Section 5(e) of the Underwriting Agreement (the Base Prospectus, the Preliminary Prospectus Supplement and the Free Writing Prospectus are collectively referred to herein as the “Pricing Disclosure Package”);
- (f) an executed copy of the Underwriting Agreement;
- (g) an executed copy of the First Mortgage;
- (h) an executed copy of the Supplemental Indenture;
- (i) specimens of the Securities;
- (j) the Amended Articles of Incorporation of the Company, effective September 19, 2006;
- (k) the Regulations of the Company, as amended on July 23, 2003;
- (l) the Action by Written Consent of the Board of Directors of the Company, effective September 16, 2016, relating to the preparation and filing with the Commission of the Registration Statement and the issuance of the Company’s securities (the “Board Consent”);
- (m) the Written Consent of the Assistant Treasurer of the Company, effective January 3, 2019, establishing the terms of the Securities pursuant to authority granted in the Board Consent;
- (n) the Order entered on July 25, 2018, by The Public Utilities Commission of Ohio, in Case No. 18-238-GE-AIS wherein, among other things, the Company secured the necessary authorizations and approvals of said Commission in respect of the issuance of the Securities;
- (o) a Certificate of Assistant Corporate Secretary of the Company, dated January 8, 2019, with respect to signatures and incumbency of officers of the Company, and other corporate matters; and
- (p) an Officers’ Certificate of the Company, dated January 8, 2019, pursuant to Section 6(i) of the Underwriting Agreement.

I or attorneys under my supervision (with whom I have consulted) have also examined originals or copies, certified or otherwise identified to our satisfaction, of such records of the Company and such agreements and certificates and receipts of public officials, certificates of officers or other representatives of the Company and others, and such other documents, certificates and records as I or attorneys under my supervision (with whom I have consulted) have deemed necessary or appropriate as a basis for the opinions set forth below.

In my examination, I or attorneys under my supervision (with whom I have consulted) have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as facsimile, electronic, certified or photostatic copies, and the authenticity of such copies. In making my examination of executed documents, I have assumed that the parties thereto, other than the Company, had the power, corporate or other, to enter into and perform all obligations thereunder and I have also assumed the due authorization by all requisite action, corporate or other, and the execution and delivery by such parties of such documents and, except to the extent expressly set forth below, the validity and binding effect thereof on such parties. As to any facts material to the opinions expressed herein which were not independently established or verified, I or attorneys under my supervision (with whom I have consulted) have relied upon oral or written statements and representations of officers and other representatives of the Company and others.

The opinion set forth below is subject to the following further qualifications, assumptions and limitations:

- (i) the validity or enforcement of any agreements or instruments may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law) and
- (ii) I do not express any opinion as to the applicability or effect of any fraudulent transfer, preference or similar law on any agreements or instruments or any transactions contemplated thereby.

Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, I am of the opinion that the Securities have been duly authorized and executed by the Company, and that when duly authenticated by the Trustee and issued and delivered by the Company against payment therefor in accordance with the terms of the Underwriting Agreement and the Indenture, the Securities will constitute valid and binding obligations of the Company entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms.

I hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement through incorporation by reference of a current report on Form 8-K. I also consent to the reference to my name under the heading "Legal Matters" in the Prospectus Supplement. In giving this consent, I do not hereby admit that I am in the category of persons whose consent is required under Section 7 of the 1933 Act or the Rules and Regulations of the Commission promulgated thereunder. This opinion is expressed as of the date hereof unless otherwise expressly stated, and I disclaim any undertaking to advise you of any subsequent changes in the facts stated or assumed herein or of any subsequent changes in applicable laws.

Very truly yours,

/s/ Richard G. Beach
Richard G. Beach

DUKE ENERGY OHIO, INC.

\$400,000,000 FIRST MORTGAGE BONDS, 3.65% SERIES, DUE FEBRUARY 1, 2029
\$400,000,000 FIRST MORTGAGE BONDS, 4.30% SERIES, DUE FEBRUARY 1, 2049

UNDERWRITING AGREEMENT

January 3, 2019

CITIGROUP GLOBAL MARKETS INC.
CREDIT SUISSE SECURITIES (USA) LLC
GOLDMAN SACHS & CO. LLC
U.S. BANCORP INVESTMENTS, INC.

As Representatives of the several Underwriters

c/o Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, New York 10010

Ladies and Gentlemen:

1. *Introductory.* DUKE ENERGY OHIO, INC., an Ohio corporation (the “**Company**”), proposes, subject to the terms and conditions stated herein, to issue and sell (i) \$400,000,000 aggregate principal amount of First Mortgage Bonds, 3.65% Series, Due February 1, 2029 (the “**2029 Bonds**”) and (ii) \$400,000,000 aggregate principal amount of First Mortgage Bonds, 4.30% Series, Due February 1, 2049 (the “**2049 Bonds**”) and, together with the 2029 Bonds, the “**Bonds**”), each to be issued under and secured by a First Mortgage dated as of August 1, 1936 (the “**Original Mortgage**”), between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the “**Trustee**”), as supplemented and amended from time to time, which was amended and restated in its entirety by a Fortieth Supplemental Indenture, dated as of March 23, 2009 (the “**Fortieth Supplemental Indenture**”), and which will be further amended and supplemented by the Forty-Sixth Supplemental Indenture, to be dated as of January 8, 2019 (the “**Supplemental Indenture**”) and, together with the Original Mortgage (as supplemented, amended and restated) the “**Indenture**”). Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Goldman Sachs & Co. LLC and U.S. Bancorp Investments, Inc. (the “**Representatives**”) are acting as representatives of the several underwriters named on Schedule A hereto (together with the Representatives, the “**Underwriters**”).

2. *Representations and Warranties of the Company.* As of the date hereof, as of the Applicable Time (as defined below) and as of the Closing Date (as defined below), the Company represents and warrants to, and agrees with, the several Underwriters that:

- (a) A registration statement, as amended (No. 333-213765-02), including a prospectus, relating to the Bonds and certain other securities has been filed with the Securities and Exchange Commission (the “**Commission**”) under the Securities Act of 1933, as amended (the “**1933 Act**”); such registration statement and any post-effective amendment thereto, each in the form heretofore delivered to you, became effective upon filing with the Commission pursuant to Rule 462 of the rules and regulations of the Commission under the 1933 Act (the “**1933 Act Regulations**”). The base prospectus filed as part of such registration statement, as amended and supplemented immediately prior to the Applicable Time, is hereinafter called the “**Base Prospectus**”; the preliminary prospectus supplement specifically relating to the Bonds immediately prior to the Applicable Time filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations is hereinafter called the “**Preliminary Prospectus**”; the various parts of such registration statement, including all exhibits thereto and including the prospectus supplement relating to the Bonds that is filed with the Commission and deemed by virtue of Rule 430B of the 1933 Act Regulations to be part of such registration statement, each as amended at the time such part of the registration statement became effective, are hereinafter collectively called the “**Registration Statement**”; the form of the final prospectus relating to the Bonds filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations in accordance with Section 5(a) hereof is hereinafter called the “**Prospectus**” and any information included in such Prospectus that was omitted from the Registration Statement at the time it became effective but that is deemed to be a part of and included in the Registration Statement pursuant to Rule 430B is referred to as “**Rule 430B Information**”; any reference herein to the Base Prospectus, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act, as of the date of such prospectus; any reference to any amendment or supplement to the Base Prospectus, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any post-effective amendment to the Registration Statement, the prospectus supplement relating to the Bonds filed with the Commission pursuant to Rule 424(b) under the 1933 Act and any documents filed under the Securities Exchange Act of 1934, as amended (the “**1934 Act**”), and incorporated therein, in each case after the date of the Base Prospectus, the Preliminary Prospectus or the Prospectus, as the case may be; any reference to any amendment to the Registration Statement shall be deemed to include any annual report of the Company filed pursuant to Section 13(a) or 15(d) of the 1934 Act after the effective date of the Registration Statement that is incorporated by reference in the Registration Statement. For purposes of this Agreement, the term “**Applicable Time**” means 4:00 p.m. (New York City time) on the date hereof.

- (b) No stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose or pursuant to Section 8A of the 1933 Act has been initiated or threatened by the Commission.
- (c) The Registration Statement, the Base Prospectus, the document or documents specified in Item 3 of Schedule B hereto (such document or documents, a **“Permitted Free Writing Prospectus”**), the Preliminary Prospectus and the Prospectus conform or will conform, and any amendments or supplements thereto will conform, in all material respects to the requirements of the 1933 Act and the 1933 Act Regulations; the Registration Statement as of its original effective date, as of the date of any amendment, and at each deemed effective date with respect to the Underwriters pursuant to Rule 430B(f)(2) of the 1933 Act Regulations and at the Closing Date (as defined in Section 3), did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; the Prospectus and any amendment or supplement thereto, at the time the Prospectus or any such amendment or supplement is issued and at the Closing Date, will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and the Base Prospectus, the Preliminary Prospectus and the Permitted Free Writing Prospectus (collectively, the **“Pricing Disclosure Package”**), all considered together, as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, the Company makes no representation or warranty to the Underwriters with respect to any statements or omissions made in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters specifically for use in the Registration Statement, the Prospectus, the Preliminary Prospectus or the Permitted Free Writing Prospectus.
- (d) The Permitted Free Writing Prospectus specified on Schedule B hereto as of its issue date and at all subsequent times through the completion of the public offer and sale of the Bonds (or until any earlier date that the Company notifies the Underwriters as described in Section 5(f)) did not and will not include any information that conflicts with the information contained in the Registration Statement, the Base Prospectus, the Preliminary Prospectus or the Prospectus that has not been superseded or modified.
- (e) At the earliest time the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the Bonds, the Company was not an “ineligible issuer” as defined in Rule 405 of the 1933 Act Regulations. The Company is, and was at the time of the initial filing of the Registration Statement, eligible to use Form S-3 under the 1933 Act.
- (f) The documents and interactive data in eXtensible Business Reporting Language (**“XBRL”**) incorporated or deemed to be incorporated by reference in the

Registration Statement, the Pricing Disclosure Package and the Prospectus, at the time they were filed or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder (the “**1934 Act Regulations**”) and, when read together with the other information in the Prospectus, (i) at the time the Registration Statement became effective, (ii) at the Applicable Time and (iii) on the Closing Date, did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

- (g) The Company’s most recent Annual Report filed on Form 10-K meets the conditions specified in General Instruction I(1)(a) and (b) of the General Instructions for Form 10-K, and the Company’s most recent Quarterly Report filed on Form 10-Q meets the conditions specified in General Instruction H(1) of the General Instructions for Form 10-Q.
- (h) The compliance by the Company with all of the provisions of this Agreement has been duly authorized by all necessary corporate action and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which any such party is bound or to which any of their respective properties or assets are subject that would have a material adverse effect on the business, financial condition or results of operations of the Company and its subsidiaries, taken as a whole; nor will such consummation result in any violation of the provisions of the Company’s Amended Articles of Incorporation or Amended Articles of Consolidation (collectively, “**Articles**”) or the Company’s Regulations (“**Regulations**”) or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their respective properties that would have a material adverse effect on the business, financial condition or results of operations of the Company and its subsidiaries, taken as a whole. No consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the consummation by the Company of the transactions contemplated by this Agreement, except for authorization by the Public Utilities Commission of Ohio (“**PUCO**”) and registration of the offer and sale of the Bonds under the 1933 Act, qualification of the Indenture under the Trust Indenture Act of 1939, as amended (the “**1939 Act**”) and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriters.
- (i) This Agreement has been duly authorized, executed and delivered by the Company.

- (j) The Original Mortgage and the Fortieth Supplemental Indenture have each been duly authorized, executed and delivered by the Company and duly qualified under the 1939 Act. The Supplemental Indenture, to be dated as of January 8, 2019, has been duly authorized by the Company and, when executed and delivered by the Company (assuming the due authorization, execution and delivery thereof by the Trustee), the Indenture will constitute a valid and legally binding instrument of the Company, enforceable against the Company in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, or similar laws affecting mortgagees' and other creditors' rights generally, and (ii) the rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.
- (k) The Bonds have been duly authorized by the Company and when executed by the Company, authenticated by the Trustee (in the manner provided in the Indenture) and delivered against payment therefor will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, or similar laws affecting mortgagees' and other creditors' rights generally, and (ii) the rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.
- (l) The Company (i) is a corporation duly incorporated and validly existing in good standing under the laws of the State of Ohio and (ii) is duly qualified to do business in each jurisdiction where the failure to be so qualified would materially adversely affect the ability of the Company to perform its obligations under this Agreement, the Indenture or the Bonds.
- (m) The Company's "significant subsidiary" within the meaning of Rule 1-02 of Regulation S-X under the 1933 Act is Duke Energy Kentucky, Inc.

3. *Purchase, Sale and Delivery of Bonds.* On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriters, and the Underwriters agree, severally and not jointly, to purchase from the Company, at a purchase price of (i) 99.306% of the principal amount of the 2029 Bonds and (ii) 98.937% of the principal amount of the 2049 Bonds (and in the manner set forth below), the respective principal amounts of Bonds set forth opposite the name of each Underwriter on Schedule A hereto plus the respective principal amounts of additional Bonds which each such Underwriter may become obligated to purchase pursuant to the provisions of Section 8 hereof. The Underwriters hereby agree to make a payment to the Company in an aggregate amount equal to \$1,300,000 including in respect of expenses incurred by the Company in connection with the offering of the Bonds.

Payment of the purchase price for the Bonds to be purchased by the Underwriters and the payment referred to above shall be made at the offices of Hunton Andrews Kurth LLP, 200 Park Avenue, 52nd Floor, New York, New York 10166, or at such other place as shall be mutually agreed upon by the Representatives and the Company, at 10:00 a.m., New York City time, on January 8, 2019, or such other time and date as shall be mutually agreed upon in writing by the

Representatives and the Company (the “**Closing Date**”). All other documents referred to herein that are to be delivered at the Closing Date shall be delivered at that time at the offices of Sidley Austin LLP, 787 Seventh Avenue, New York, NY 10019. Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company, against delivery of the Bonds, in fully registered form, to the Representatives for the respective accounts of the Underwriters. The 2029 Bonds and the 2049 Bonds shall each be delivered in the form of one or more global certificates in aggregate denomination equal to the aggregate principal amount of the respective 2029 Bonds and 2049 Bonds upon original issuance, and registered in the name of Cede & Co., as nominee for The Depository Trust Company (“**DTC**”).

4. *Offering by the Underwriters.* It is understood that the several Underwriters propose to offer the Bonds for sale to the public as set forth in the Pricing Disclosure Package and the Prospectus.

5. *Covenants of the Company.* The Company covenants and agrees with the several Underwriters that:

- (a) The Company will cause the Preliminary Prospectus and the Prospectus to be filed pursuant to, and in compliance with Rule 424(b) of the 1933 Act Regulations, and advise the Underwriters promptly of the filing of any amendment or supplement to the Registration Statement, the Preliminary Prospectus or the Prospectus and of the institution by the Commission of any stop order proceedings in respect of the Registration Statement and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued.
- (b) If at any time when a prospectus relating to the Bonds (or the notice referred to in Rule 173(a) of the 1933 Act Regulations) is required to be delivered under the 1933 Act any event occurs as a result of which the Pricing Disclosure Package or the Prospectus as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Pricing Disclosure Package or the Prospectus to comply with the 1933 Act, the Company promptly will prepare and file with the Commission an amendment, a supplement or an appropriate document pursuant to Section 13 or 14 of the 1934 Act which will correct such statement or omission or which will effect such compliance.
- (c) The Company, during the period when a prospectus relating to the Bonds is required to be delivered under the 1933 Act, will timely file all documents required to be filed with the Commission pursuant to Section 13 or 14 of the 1934 Act.
- (d) Without the prior consent of the Underwriters, the Company has not made and will not make any offer relating to the Bonds that would constitute a “free writing prospectus” as defined in Rule 405 of the 1933 Act Regulations, other than a

Permitted Free Writing Prospectus; each Underwriter, severally and not jointly, represents and agrees that, without the prior consent of the Company, it has not made and will not make any offer relating to the Bonds that would constitute a “free writing prospectus” as defined in Rule 405 of the 1933 Act Regulations, other than a Permitted Free Writing Prospectus or a free writing prospectus that is not required to be filed by the Company pursuant to Rule 433 of the 1933 Act Regulations (“**Rule 433**”); any such free writing prospectus (which shall include the pricing term sheet discussed in Section 5(e) below), the use of which has been consented to by the Company and the Underwriters, is specified in Item 3 of Schedule B hereto. The Company represents that it has treated and agrees that it will treat each Permitted Free Writing Prospectus as an “issuer free writing prospectus,” as defined in Rule 433, and has complied and will comply with the requirements of Rule 433 applicable to any Permitted Free Writing Prospectus, including timely filing with the Commission where required, legending and record keeping.

- (e) The Company agrees to prepare a pricing term sheet specifying the terms of the Bonds not contained in the Preliminary Prospectus, substantially in the form of Schedule C hereto and approved by the Representatives on behalf of the Underwriters, and to file such pricing term sheet as an “issuer free writing prospectus” pursuant to Rule 433 prior to the close of business two business days after the date hereof.
- (f) The Company agrees that if at any time following the issuance of a Permitted Free Writing Prospectus any event occurs as a result of which such Permitted Free Writing Prospectus would conflict with the information (not superseded or modified) in the Registration Statement, the Pricing Disclosure Package or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Underwriters and, if requested by the Underwriters, will prepare and furnish without charge to each Underwriter a free writing prospectus or other document, the use of which has been consented to by the Underwriters, which will correct such conflict, statement or omission; provided, however, that this covenant shall not apply to any statements or omissions made in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters specifically for use in the Registration Statement, the Pricing Disclosure Package or the Prospectus.
- (g) The Company will timely make generally available to its securityholders as soon as practicable an earnings statement for the purposes of the last paragraph of Section 11(a) of the 1933 Act.
- (h) The Company will furnish to you, without charge, copies of the Registration Statement (three of which will include all exhibits other than those incorporated by reference), the Pricing Disclosure Package and the Prospectus, and all

amendments and supplements to such documents, in each case as soon as available and in such quantities as you reasonably request.

- (i) The Company will arrange or cooperate in arrangements, if necessary, for the qualification of the Bonds for sale under the laws of such jurisdictions as you designate and will continue such qualifications in effect so long as required for the distribution; provided, however, that the Company shall not be required to qualify as a foreign corporation or to file any general consent to service of process under the laws of any state where it is not now so subject.
- (j) The Company will pay all expenses incident to the performance of its obligations under this Agreement including (i) the printing and filing of the Registration Statement and the printing of this Agreement and any Blue Sky Survey, (ii) the preparation and printing of certificates for the Bonds, (iii) the issuance and delivery of the Bonds as specified herein, (iv) the fees and disbursements of counsel for the Underwriters in connection with the qualification of the Bonds under the securities laws of any jurisdiction in accordance with the provisions of Section 5(i) and in connection with the preparation of the Blue Sky Survey (such fees not to exceed \$5,000), (v) the printing and delivery to the Underwriters, in quantities as hereinabove referred to, of copies of the Registration Statement and any amendments thereto, of the Preliminary Prospectus, of the Prospectus, of any Permitted Free Writing Prospectus and any amendments or supplements thereto, (vi) any fees charged by independent rating agencies for rating the Bonds, (vii) any fees and expenses in connection with the listing of the Bonds on the New York Stock Exchange, (viii) any filing fee required by the Financial Industry Regulatory Authority, Inc. (ix) the costs of any depository arrangements for the Bonds with DTC or any successor depository and (x) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Bonds, including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the Underwriters and officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show; provided, however, the Underwriters shall reimburse a portion of the costs and expenses referred to in this clause (x).

6. *Conditions of the Obligations of the Underwriters.* The obligations of the several Underwriters to purchase and pay for the Bonds will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the accuracy of the statements of officers of the Company made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

- (a) The Prospectus shall have been filed by the Company with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the 1933 Act Regulations, and each Permitted Free Writing Prospectus

shall have been filed by the Company with the Commission pursuant to Rule 433 within the applicable time period prescribed for such filing by the 1933 Act Regulations (to the extent so required).

- (b) At or after the Applicable Time and prior to the Closing Date, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose or pursuant to Section 8A of the 1933 Act shall have been instituted or, to the knowledge of the Company or you, shall be threatened by the Commission.
- (c) At or after the Applicable Time and prior to the Closing Date, the rating assigned by Moody's Investors Service, Inc. or S&P Global Ratings (or any of their successors) to any debt securities or preferred stock of the Company as of the date of this Agreement shall not have been lowered.
- (d) Since the respective most recent dates as of which information is given in the Pricing Disclosure Package and the Prospectus and up to the Closing Date, there shall not have been any material adverse change in the condition of the Company and its subsidiaries, taken as a whole, financial or otherwise, except as reflected in or contemplated by the Pricing Disclosure Package and the Prospectus, and since such dates and up to the Closing Date, there shall not have been any material transaction entered into by the Company other than transactions contemplated by the Pricing Disclosure Package and the Prospectus and transactions in the ordinary course of business, the effect of which in your reasonable judgment is so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated by the Pricing Disclosure Package and the Prospectus.
- (e) You shall have received an opinion of Richard G. Beach, Esq., Associate General Counsel of Duke Energy Business Services LLC, the service company subsidiary of Duke Energy Corporation (who in such capacity provides legal services to the Company) (or other appropriate counsel reasonably satisfactory to the Representatives, which may include Duke Energy Corporation's other "in house" counsel), dated the Closing Date, to the effect that:
 - (i) The Company is a corporation duly organized and validly existing in good standing under the laws of the State of Ohio, with power and authority (corporate and other) to own its properties and conduct its business as described in the Pricing Disclosure Package and the Prospectus and to enter into and perform its obligations under this Agreement.
 - (ii) The Company is duly qualified to do business in each jurisdiction in which the ownership or leasing of its property or the conduct of its business requires such qualification, except where the failure to so qualify would not, singularly or in the aggregate, reasonably be expected to have a material adverse effect on the consolidated financial position, stockholder's equity, results of operations, business or prospects of the

Company and its subsidiaries, taken as a whole, and to own and operate the properties in use in such business.

- (iii) Each of the Company's subsidiaries is duly organized and validly existing in good standing under the laws of the jurisdiction of its organization and has due corporate and governmental authority to carry on the business in which it is engaged, except where the failure would not, singularly or in the aggregate, reasonably be expected to have a material adverse effect on the consolidated financial position, stockholder's equity, results of operations, business or prospects of the Company and its subsidiaries, taken as a whole, and to own and operate the properties in use in such businesses.
- (iv) The execution, delivery and performance of this Agreement, the Indenture and the Bonds and compliance by the Company with its obligations under this Agreement, the Indenture and the Bonds will not conflict with, or result in any charge or encumbrance upon any of the assets of the Company (other than pursuant to the Indenture) pursuant to the terms of, or constitute a default under, any agreement, indenture or instrument known to such counsel, or result in a violation of the Articles or Regulations of the Company (as in effect on the Closing Date) or any order, rule or regulation (also as in effect on the Closing Date) of any court or governmental agency having jurisdiction over the Company, and the issuance of the Bonds in accordance with the Indenture and the sale of the Bonds in accordance with this Agreement, do not and will not result in any violation by the Company of any of the terms or provisions of the Articles or Regulations, or of the Indenture, or any mortgage or other agreement or instrument known to such counsel by which the Company is bound.
- (v) The Indenture, including the Supplemental Indenture, is in due and proper form, has been duly and validly authorized by all necessary corporate action, has been duly executed and delivered by the Company, qualified under the 1939 Act, and, assuming due authorization, execution and delivery by the Trustee, the Indenture is a valid and binding instrument of the Company, enforceable in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, or similar laws affecting mortgagees' and other creditors' rights generally, and (ii) the rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.
- (vi) The issue of the Bonds by the Company in accordance with the terms of the Indenture has been duly authorized by all necessary corporate action; when duly executed by the Company, authenticated by the Trustee and delivered to and paid for by the Underwriters pursuant to this Agreement, the Bonds will constitute the legal, valid and binding obligations of the Company enforceable in accordance with their terms, secured by the lien

of and entitled to the benefits provided by the Indenture, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, or similar laws affecting mortgagees' and other creditors' rights generally, and (ii) the rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.

- (vii) The Company has good and marketable title to the properties, rights and assets described in and conveyed by the Indenture and not released by the Trustee from the lien thereof prior to the time of delivery of the Bonds, subject only to the lien of the Indenture and to "permitted liens" as defined in the Indenture; the description in the Indenture of such properties, rights and assets is adequate to constitute the Indenture a lien thereon; the Indenture complies with all applicable laws of the State of Ohio (wherein the properties subjected or intended to be subject to the lien of the Indenture are located), including all applicable recording laws, and, subject only to the matters referred to above, constitutes a valid and direct first lien on such properties, rights and assets, which include substantially all of the Company's tangible electric transmission and distribution utility property located in Ohio, together with the Company's recorded easements and rights of way, franchises, licenses, permits, grants, immunities, privileges and rights that are used or useful in the operation of such property; and all tangible electric transmission and distribution utility property located in Ohio acquired by the Company subsequent to the time of issuance of the Bonds will be subject to the lien of the Indenture, subject, however, to "permitted liens" as defined in the Indenture.
- (viii) The Indenture, other than the Supplemental Indenture, has been duly filed for record in such manner and in such places as are required by law in order to give constructive notice of, and to establish, preserve and protect the lien of, the Indenture on all property of the Company of every kind referred to in the Indenture as subject to the lien thereof.
- (ix) Except as referred to in the Pricing Disclosure Package and the Prospectus, there is no action, suit or proceeding, inquiry or investigation, at law or in equity or before or by any court, public board or body, pending or, to such counsel's knowledge, threatened against or affecting the Company, wherein an unfavorable decision, ruling or finding would (i) materially and adversely affect the condition (financial or otherwise), results of operations, business or properties of the Company or (ii) materially and adversely affect the transactions contemplated by this Agreement, or which would adversely affect the validity or enforceability of the Indenture or the Bonds. The descriptions in the Registration Statement, the Pricing Disclosure Package and the Prospectus of any legal or governmental proceedings are accurate and fairly present the information required to be shown, and such counsel does not know of any litigation or any legal or governmental proceeding instituted or threatened

against the Company or any of its properties that would be required to be disclosed in the Registration Statement, the Pricing Disclosure Package or the Prospectus and is not so disclosed.

- (x) Order of the PUCO issued on July 25, 2018 in Case No. 18-238-GE-AIS, relating to the issuance of the Bonds have been duly entered and, to such counsel's knowledge, have not been modified or repealed in any respect and are in full force and effect. The issuance and sale of the Bonds to the Underwriters are in conformity with the terms of such orders. Except as may be required under the 1933 Act or the securities or Blue Sky laws of any jurisdiction, no further consent, approval, authorization or order of, or registration or filing with, any court or governmental or public agency, authority or body is required with respect to the Company for the execution, delivery and performance of this Agreement, the Indenture or the Bonds, the issuance by the Company of the Bonds or the consummation by the Company of the transactions contemplated by this Agreement, the Indenture or the Bonds.
- (xi) This Agreement has been duly authorized, executed and delivered by the Company.

In addition, such counsel shall state that no facts have come to such counsel's attention that have caused such counsel to believe that the Registration Statement, at the Applicable Time, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus, as of its date and as of the Closing Date, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that in each case such counsel need not express an opinion as to (i) the financial statements and other financial and accounting data included or incorporated by reference therein or excluded therefrom, including XBRL interactive data, (ii) the statement of the eligibility and qualification of the Trustee included in the Registration Statement or (iii) the information in the Prospectus Supplement under the caption "Book-Entry System."). Such counsel shall further state that, in addition, no facts have come to such counsel's attention that have caused such counsel to believe that the Pricing Disclosure Package, as of the Applicable Time, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that such counsel need not express an opinion as to (i) the financial statements and other financial and accounting data included or incorporated by reference therein or excluded therefrom, including XBRL interactive data, (ii) the statement of the eligibility and qualification of the Trustee included in the Registration Statement or (iii) the information in the Prospectus Supplement under the caption "Book-Entry System").

Such counsel shall expressly authorize the Underwriters to rely on such counsel's opinion dated the Closing Date delivered to the Trustee pursuant to the Indenture.

In rendering the foregoing opinion, such counsel may state that such counsel does not express any opinion concerning any law other than the laws of the State of Ohio and the Commonwealth of Kentucky.

- (f) You shall have received an opinion of Hunton Andrews Kurth LLP, counsel to the Company, dated the Closing Date, to the effect that:
- (i) The Supplemental Indenture has been duly authorized, executed and delivered by the Company, and assuming due authorization, execution and delivery by the Trustee, the Indenture constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting mortgagees' and other creditors' rights generally from time to time in effect, and to general principals of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether considered in a proceeding in equity or at law).
 - (ii) The Bonds have been duly authorized and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Underwriters pursuant to this Agreement, will constitute legal, valid and binding obligations of the Company entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting mortgagees' and other creditors' rights generally from time to time in effect and to general principals of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether considered in a proceeding in equity or at law).
 - (iii) This Agreement has been duly authorized, executed and delivered by the Company.
 - (iv) The statements set forth in the Pricing Disclosure Package and the Prospectus under the captions "Description of the Mortgage Bonds" and "Description of First Mortgage Bonds," insofar as such statements purport to summarize certain provisions of the Indenture and the Bonds, fairly summarize such provisions in all material respects.
 - (v) The statements set forth in the Pricing Disclosure Package and the Prospectus under the caption "Certain U.S. Federal Income Tax

Considerations for Non-U.S. Holders,” insofar as such statements purport to constitute summaries of matters of United States federal income tax law, constitute accurate and complete summaries, in all material respects, subject to the qualifications set forth therein.

- (vi) The Company is not, and solely after giving effect to the offering and sale of the Bonds and the application of the proceeds thereof as described in the Prospectus, will not be subject to registration and regulation as an “investment company” as such term is defined in the Investment Company Act of 1940, as amended.

In rendering the foregoing opinions, such counsel may state that it has relied as to certain factual matters on information obtained from public officials, officers and representatives of the Company and has assumed that the signatures on all documents examined by it are genuine, and that such counsel has not independently verified such factual matters or assumptions. In giving their opinion, such counsel may rely on the opinion of Richard G. Beach, Esq., as to matters of Ohio and Kentucky law.

You shall also have received a statement of Hunton Andrews Kurth LLP, dated the Closing Date, to the effect that:

- (1) no facts have come to such counsel’s attention that have caused such counsel to believe that the documents filed by the Company under the 1934 Act and the 1934 Act Regulations that are incorporated by reference in the preliminary prospectus supplement that forms a part of the Pricing Disclosure Package and the Prospectus, when filed, were not, on their face, appropriately responsive in all material respects to the requirements of the 1934 Act and the 1934 Act Regulations (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, compliance with XBRL interactive data requirements);
- (2) no facts have come to such counsel’s attention that have caused such counsel to believe that the Registration Statement, at the Applicable Time and the Prospectus, as of its date, were not, on their face, appropriately responsive in all material respects to the requirements of the 1933 Act and the 1933 Act Regulations (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, compliance with XBRL interactive data requirements or that part of the Registration Statement that constitutes the statement of eligibility on the Form T-1); and
- (3) no facts have come to such counsel’s attention that have caused such counsel to believe that the Registration Statement, at the Applicable Time,

contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus, as of its date and as of the Closing Date, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom including XBRL interactive data, or that part of the Registration Statement that constitutes the statement of eligibility on the Form T-1).

Such counsel shall further state that, in addition, no facts have come to such counsel's attention that have caused such counsel to believe that the Pricing Disclosure Package, as of the Applicable Time, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom including XBRL interactive data).

In addition, such statement shall confirm that the Prospectus has been filed with the Commission within the time period required by Rule 424 of the 1933 Act Regulations and any required filing of a Permitted Free Writing Prospectus pursuant to Rule 433 of the 1933 Act Regulations has been filed with the Commission within the time period required by Rule 433(d) of the 1933 Act Regulations. Such statement shall further state that assuming the accuracy of the factual matters contained in the representations and warranties of the Company set forth in Section 2(e) of this Agreement, the Registration Statement became effective upon filing with the Commission pursuant to Rule 462 of the 1933 Act Regulations and, pursuant to Section 309 of the 1939 Act, the Indenture has been qualified under the 1939 Act, and that based solely on such counsel's review of the Commission's website, no stop order suspending the effectiveness of the Registration Statement has been issued and, to such counsel's knowledge, no proceedings for that purpose have been instituted or are pending or threatened by the Commission.

In addition, such counsel may state that such counsel does not pass upon, or assume any responsibility for, the accuracy, completeness or fairness of the statements contained or incorporated by reference in the Registration Statement, the Pricing Disclosure Package or the Prospectus and has made no independent check or verification thereof (except to the limited extent referred to in Section 6(f) (iv) above).

- (g) You shall have received opinions and statements of Sidley Austin LLP, counsel for the Underwriters, dated the Closing Date, as to such matters as you may reasonably request; the Company shall have furnished Sidley Austin LLP with such documents as it reasonably requests for the purpose of enabling it to satisfy such request. In giving its opinion, Sidley Austin LLP may rely on the opinions of Richard G. Beach, Esq., Associate General Counsel of Duke Energy Business Services LLC, the service company affiliate of the Company (or other appropriate counsel reasonably satisfactory to the Representatives) as to matters of Ohio and Kentucky law.
- (h) On or after the date hereof, there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally or of the securities of Duke Energy Corporation on the New York Stock Exchange; or (ii) a general moratorium on commercial banking activities in New York declared by either Federal or New York State authorities or a material disruption in commercial banking services or securities settlement or clearance services in the United States; or (iii) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this subsection (h) in your reasonable judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus. In such event there shall be no liability on the part of any party to any other party except as otherwise provided in Section 7 hereof and except for the expenses to be borne by the Company as provided in Section 5(j) hereof.
- (i) You shall have received a certificate of the Chairman of the Board, the President, any Vice President, the Secretary or an Assistant Secretary and any financial or accounting officer of the Company, dated the Closing Date, in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Company in this Agreement are true and correct as of the Closing Date, that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date, that the conditions specified in Section 6(c) and Section 6(d) have been satisfied, and that no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are threatened by the Commission.
- (j) At the time of the execution of this Agreement, you shall have received a letter dated such date, in form and substance satisfactory to you, from Deloitte & Touche LLP, the Company's independent registered public accounting firm, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, including specific references to inquiries regarding any increase in

long-term debt (excluding current maturities), decrease in net current assets (defined as current assets less current liabilities) or stockholder's equity, and decrease in operating revenues or net income for the period subsequent to the latest financial statements incorporated by reference in the Registration Statement, as compared with the corresponding period in the preceding year, as of a specified date not more than three business days prior to the date of this Agreement.

- (k) At the Closing Date, you shall have received from Deloitte & Touche LLP, a letter dated as of the Closing Date, to the effect that it reaffirms the statements made in the letter furnished pursuant to subsection (j) of this Section 6, except that the specified date referred to shall be not more than three business days prior to the Closing Date.
- (l) An appropriate order from the PUCO necessary to permit the issue and sale of the Bonds as contemplated hereby and containing no material provision or condition which is unacceptable to the Company or the Underwriters shall be in effect and no proceedings to suspend the effectiveness of such order shall be pending or threatened.

The Company will furnish you with such conformed copies of such opinions, certificates, letters and documents as you reasonably request.

7. *Indemnification.* (a) The Company agrees to indemnify and hold harmless each Underwriter, their respective officers and directors, and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act, as follows:

- (i) against any and all loss, liability, claim, damage and expense whatsoever arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto) including the Rule 430B Information, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such statement or omission or such alleged statement or omission was made in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus;

- (ii) against any and all loss, liability, claim, damage and expense whatsoever to the extent of the aggregate amount paid in settlement of any litigation, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the Company; and
- (iii) against any and all expense whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) of this subsection 7(a).

In no case shall the Company be liable under this indemnity agreement with respect to any claim made against any Underwriter or any such controlling person unless the Company shall be notified in writing of the nature of the claim within a reasonable time after the assertion thereof, but failure so to notify the Company shall not relieve it from any liability which it may have otherwise than under subsections 7(a) and 7(d). The Company shall be entitled to participate at its own expense in the defense, or, if it so elects, within a reasonable time after receipt of such notice, to assume the defense of any suit brought to enforce any such claim, but if it so elects to assume the defense, such defense shall be conducted by counsel chosen by it and approved by the Underwriter or Underwriters or controlling person or persons, or defendant or defendants in any suit so brought, which approval shall not be unreasonably withheld. In any such suit, any Underwriter or any such controlling person shall have the right to employ its own counsel, but the fees and expenses of such counsel shall be at the expense of such Underwriter or such controlling person unless (i) the Company and such Underwriter shall have mutually agreed to the employment of such counsel, or (ii) the named parties to any such action (including any impleaded parties) include both such Underwriter or such controlling person and the Company and such Underwriter or such controlling person shall have been advised by such counsel that a conflict of interest between the Company and such Underwriter or such controlling person may arise and for this reason it is not desirable for the same counsel to represent both the indemnifying party and also the indemnified party (it being understood however, that the Company shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for all such Underwriters and all such controlling persons, which firm shall be designated in writing by you). The Company agrees to notify you within a reasonable time of the assertion of any claim against it, any of its officers or directors or any person who controls the Company within the meaning of Section 15 of the 1933 Act, in connection with the sale of the Bonds.

- (b) Each Underwriter severally and not jointly agrees that it will indemnify and hold harmless the Company, its directors and each of the officers of the Company who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act to the same extent as

the indemnity contained in subsection (a) of this Section 7, but only with respect to statements or omissions made in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus. In case any action shall be brought against the Company or any person so indemnified based on the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, and in respect of which indemnity may be sought against any Underwriter, such Underwriter shall have the rights and duties given to the Company, and the Company and each person so indemnified shall have the rights and duties given to the Underwriters, by the provisions of subsection (a) of this Section 7.

- (c) No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding, and does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.
- (d) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party in respect of any and all loss, liability, claim, damage and expense whatsoever (or actions in respect thereof) that would otherwise have been indemnified under the terms of such indemnity, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Bonds. If however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, or if the indemnified party failed to give the notice required above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds

from the offering (before deducting expenses) received by the Company bear to the total compensation received by the Underwriters in respect of the underwriting discount as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The amount paid or payable by an indemnified party as a result of the losses, liabilities, claims, damages or expenses (or actions in respect thereof) referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Bonds underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute are several in proportion to their respective underwriting obligations and not joint.

8. *Default by One or More of the Underwriters.* (a) If any Underwriter shall default in its obligation to purchase the principal amount of the 2029 Bonds or the 2049 Bonds, as applicable, which it has agreed to purchase hereunder on the Closing Date, you may in your discretion arrange for you or another party or other parties to purchase such 2029 Bonds and/or 2049 Bonds, as applicable, on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Bonds, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Bonds on such terms. In the event that, within the respective prescribed periods, you notify the Company that you have so arranged for the purchase of such Bonds, or the Company notifies you that it has so arranged for the purchase of such Bonds, you or the Company shall have the right to postpone such Closing Date for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement, the Pricing Disclosure Package or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments to the Registration Statement, the Pricing Disclosure Package or the Prospectus which may be required. The term "Underwriter" as used in this Agreement shall include any person substituted

under this Section 8 with like effect as if such person had originally been a party to this Agreement with respect to such Bonds.

- (b) If, after giving effect to any arrangements for the purchase of the Bonds of a defaulting Underwriter or Underwriters by you or the Company as provided in subsection (a) above, the aggregate amount of such Bonds which remains unpurchased does not exceed one-tenth of the aggregate amount of all the Bonds to be purchased at such Closing Date, then the Company shall have the right to require each non-defaulting Underwriter to purchase the amounts of Bonds which such Underwriter agreed to purchase hereunder at such Closing Date and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the amounts of Bonds which such Underwriter agreed to purchase hereunder) of the Bonds of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.
- (c) If, after giving effect to any arrangements for the purchase of the Bonds of a defaulting Underwriter or Underwriters by you or the Company as provided in subsection (a) above, the aggregate amount of such Bonds which remains unpurchased exceeds one-tenth of the aggregate amount of all the Bonds to be purchased at such Closing Date, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase the Bonds of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company as provided in Section 5(j) hereof and the indemnity and contribution agreement in Section 7 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

9. *Representations and Indemnities to Survive Delivery.* The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter or the Company, or any of their respective officers or directors or any controlling person referred to in Section 7 hereof, and will survive delivery of and payment for the Bonds.

10. *Reliance on Your Acts.* In all dealings hereunder, the Representatives shall act on behalf of each of the Underwriters, and the Company shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by the Representatives.

11. *No Fiduciary Relationship.* The Company acknowledges and agrees that (a) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Company on the one hand, and the Underwriters on the other hand, (b) in connection with the offering contemplated hereby and the process leading to such transaction, each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of

the Company or its shareholders, creditors, employees, or any other party, (c) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company on other matters) and no Underwriter has any obligation to the Company with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement, (d) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company, and (e) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the transaction contemplated hereby and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

12. *Notices.* All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed or telecopied and confirmed to Citigroup Global Markets Inc., 388 Greenwich Street, New York, NY 10013 (fax no.: (646) 291-1469); Credit Suisse Securities (USA) LLC, Eleven Madison Avenue, New York, NY 11010, Attention: IBCM-Legal; Goldman Sachs & Co. LLC, 200 West Street, New York, NY 10282, Attention: Registration Department and U.S. Bancorp Investments, Inc., 214 N. Tryon Street, 26th Floor, Charlotte, NC 28202, Attention: Investment Grade Syndicate (fax no.: (877) 219-0512); or, if sent to the Company, will be mailed or telecopied and confirmed to it at 550 S. Tryon Street, Charlotte, North Carolina 28202 (fax no.: (980) 373-4723), Attention: Assistant Treasurer. Any such communications shall take effect upon receipt thereof.

13. *Business Day.* As used herein, the term “business day” shall mean any day when the Commission’s office in Washington, D.C. is open for business.

14. *Successors.* This Agreement shall inure to the benefit of and be binding upon the Underwriters and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons, officers and directors referred to in Section 7 and their respective successors, heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained; this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and their respective successors and said controlling persons, officers and directors and their respective successors, heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Bonds from any Underwriter shall be deemed to be a successor or assign by reason merely of such purchase.

15. *Counterparts.* This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

16. *Applicable Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

If the foregoing is in accordance with your understanding, kindly sign and return to us two counterparts hereof, and upon confirmation and acceptance by the Underwriters, this letter and such confirmation and acceptance will become a binding agreement between the Company, on the one hand, and each of the Underwriters, on the other hand, in accordance with its terms.

Very truly yours,

DUKE ENERGY OHIO, INC.

By: /s/ John L. Sullivan, III

Name: John L. Sullivan, III

Title: Assistant Treasurer

[Remainder of page left blank intentionally]

[Signature Page to the Underwriting Agreement]

The foregoing Underwriting Agreement is hereby confirmed and accepted as of the date first above written:

CITIGROUP GLOBAL MARKETS INC.

CREDIT SUISSE SECURITIES (USA) LLC

/s/ Adam D. Bordner
Name: Adam D. Bordner
Title: Director

/s/ Nevin Bhatia
Name: Nevin Bhatia
Title: Managing Director

GOLDMAN SACHS & CO. LLC

U.S. BANCORP INVESTMENTS, INC.

/s/ Adam Greene
Name: Adam Greene
Title: Managing Director

/s/ Phillip Bennett
Name: Phillip Bennett
Title: Managing Director

For themselves and as Representatives of the several Underwriters named on Schedule A hereto.

[Signature Page to the Underwriting Agreement]

SCHEDULE A

Underwriter	Principal Amount of 2029 Bonds	Principal Amount of 2049 Bonds
Citigroup Global Markets Inc.	\$ 84,000,000	\$ 84,000,000
Credit Suisse Securities (USA) LLC	84,000,000	84,000,000
Goldman Sachs & Co. LLC	84,000,000	84,000,000
U.S. Bancorp Investments, Inc.	84,000,000	84,000,000
BB&T Capital Markets, a division of BB&T Securities, LLC	20,000,000	20,000,000
BNY Mellon Capital Markets, LLC	20,000,000	20,000,000
The Williams Capital Group, L.P.	20,000,000	20,000,000
CastleOak Securities, L.P.	2,000,000	2,000,000
Samuel A. Ramirez & Company, Inc.	2,000,000	2,000,000
Total	\$ 400,000,000	\$ 400,000,000

SCHEDULE B

PRICING DISCLOSURE PACKAGE

Item

- 1) Base Prospectus
- 2) Preliminary Prospectus Supplement dated January 3, 2019
- 3) Permitted Free Writing Prospectus

- a) Pricing Term Sheet attached as Schedule C hereto

SCHEDULE C

*Filed pursuant to Rule 433
January 3, 2019
Relating to
Preliminary Prospectus Supplement dated January 3, 2019 to
Prospectus dated January 26, 2017
Registration Statement No. 333-213765-02*

**Duke Energy Ohio, Inc.
\$400,000,000 First Mortgage Bonds, 3.65% Series, Due February 1, 2029
\$400,000,000 First Mortgage Bonds, 4.30% Series, Due February 1, 2049**

Pricing Term Sheet

Issuer:	Duke Energy Ohio, Inc.	
Settlement Date:	January 8, 2019 (T+3)	
Security Description:	First Mortgage Bonds, 3.65% Series due February 1, 2029 (the “ 2029 Bonds ”)	First Mortgage Bonds, 4.30% Series due February 1, 2049 (the “ 2049 Bonds ”)
Principal Amount:	\$400,000,000	\$400,000,000
Interest Payment Dates:	February 1 and August 1, beginning on August 1, 2019	February 1 and August 1, beginning on August 1, 2019
Maturity Date:	February 1, 2029	February 1, 2049
Benchmark Treasury:	3.125% due November 15, 2028	3.000% due August 15, 2048
Benchmark Treasury Yield:	2.555%	2.911%
Spread to Benchmark Treasury:	+110 basis points	+140 basis points
Yield to Maturity:	3.655%	4.311%
Coupon:	3.65%	4.30%
Price to Public:	99.956% per 2029 Bond, plus accrued interest, if any, from January 8, 2019	99.812% per 2049 Bond, plus accrued interest, if any, from January 8, 2019
Redemption Provisions:	At any time before November 1, 2028 (which is the date that is three months prior to	At any time before August 1, 2048 (which is the date that is six months prior to maturity

maturity of the 2029 Bonds (the “**2029 Par Call Date**”), the 2029 Bonds will be redeemable in whole or in part, at the issuer’s option at any time, at a redemption price equal to the greater of (i) 100% of the principal amount of the 2029 Bonds being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the 2029 Bonds being redeemed that would be due if the 2029 Bonds matured on the 2029 Par Call Date (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate plus 20 basis points, plus, in each case, accrued and unpaid interest on the principal amount of the 2029 Bonds being redeemed to, but excluding, the date of redemption.

At any time on or after the 2029 Par Call Date, the 2029 Bonds will be redeemable in whole or in part, at the issuer’s option at any time, at a redemption price equal to 100% of the principal amount of the 2029 Bonds being redeemed plus accrued and unpaid interest on the principal amount of the 2029 Bonds being redeemed to, but excluding, the date of redemption.

of the 2049 Bonds (the “**2049 Par Call Date**”), the 2049 Bonds will be redeemable in whole or in part, at the issuer’s option at any time, at a redemption price equal to the greater of (i) 100% of the principal amount of the 2049 Bonds being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the 2049 Bonds being redeemed that would be due if the 2049 Bonds matured on the 2049 Par Call Date (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate plus 25 basis points, plus, in each case, accrued and unpaid interest on the principal amount of the 2049 Bonds being redeemed to, but excluding, the date of redemption.

At any time on or after the 2049 Par Call Date, the 2049 Bonds will be redeemable in whole or in part, at the issuer’s option at any time, at a redemption price equal to 100% of the principal amount of the 2049 Bonds being redeemed plus accrued and unpaid interest on the principal amount of the 2049 Bonds being redeemed to, but excluding, the date of redemption.

CUSIP / ISIN:

26442E AF7 / US26442EAF79

26442E AG5 / US26442EAG52

Joint Book-Running Managers:

Citigroup Global Markets Inc.
Credit Suisse Securities (USA) LLC
Goldman Sachs & Co. LLC
U.S. Bancorp Investments, Inc.

Co-Managers:

BB&T Capital Markets, a division of BB&T Securities, LLC
BNY Mellon Capital Markets, LLC
The Williams Capital Group, L.P.

Junior Co-Managers:

CastleOak Securities, L.P.
Samuel A. Ramirez & Company, Inc.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Citigroup Global Markets Inc. toll-free at (800) 831-9146, Credit Suisse Securities (USA) LLC toll-free at (800) 221-1037, Goldman Sachs & Co. LLC toll-free at (866) 471-2526 or U.S. Bancorp Investments, Inc. toll-free at (877) 558-2607.